VZCZCXRO7396 RR RUEHCHI RUEHCN RUEHDT RUEHHM RUEHRN DE RUEHJA #0722 1001050 ZNR UUUUU ZZH R 091050Z APR 08 FM AMEMBASSY JAKARTA TO RUEHC/SECSTATE WASHDC 8617 INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS RUEATRS/DEPT OF TREASURY WASHDC RUEHSS/OECD POSTS COLLECTIVE RUEHNE/AMEMBASSY NEW DELHI 1723 RUEHBR/AMEMBASSY BRASILIA 0210 RUEHSA/AMEMBASSY PRETORIA 0277 RUEHBJ/AMEMBASSY BEIJING 4901 RUEHUL/AMEMBASSY SEOUL 4515 RUEHME/AMEMBASSY MEXICO 0076 RUEAIIA/CIA WASHDC

UNCLAS JAKARTA 000722

SIPDIS

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AIDAC

DEPT FOR EEB A/S SULLIVAN
DEPT FOR EEB/EPPD
DEPT FOR EAP/EP, EAP/RSP AND EAP/MTS
PARIS OECD FOR CURT STONE
SINGAPORE FOR BAKER
TREASURY FOR BIERY

E.O. 12598: N/A

TAGS: ECON PREL OECD ETRD ID

SUBJECT: OECD DEPUTY SECGEN VISITS INDONESIA

REF: STATE 6031; JAKARTA 238

11. Summary. The Organization for Economic Cooperation and Development (OECD)'s Deputy Secretary General Mari Amano visited Indonesia on April 3-4. Outreach efforts to Indonesia have been very positively received by the Government of Indonesia (GOI). A series of outreach visits in 2008 have also found resonance with several OECD resident missions, which offered recommendations to make OECD "Enhanced Engagement" successful here and are encouraging the GOI's involvement. End Summary.

GOI on OECD: Very Positive

¶2. Embassy Economic officer attended a meeting with visiting OECD Deputy Secretary General Mari Amano on April 4 in Jakarta. Amano briefed resident OECD and other missions in Jakarta on progress in "Enhanced Engagement" with Indonesia. Amano noted that his meetings with the Government of Indonesia (GOI) were "very, very positive." The team met with the key economic ministries and the Ministry of Foreign Affairs. The visiting OECD delegation was pleasantly surprised at the GOI's level of understanding of OECD issues. The GOI also expressed appreciation of OECD's interest, giving the impression that recognition of Indonesia was "long overdue."

Foreign Minister Supportive

13. Amano felt that Indonesia was still soul searching about its global role and its continued position with regard to other non-aligned nations. He expected the economic ministries to welcome the OECD but was impressed with Foreign Minister Wirajuda's positive and welcoming tone. Amano left Indonesia with the impression that the GOI would soon decide to move forward with formal cooperation. Potential areas of cooperation include anti-corruption. Coordinating Minister for the Economy Boediono also expressed interest in an investment climate review. A visit from the OECD Secretary General is planned for July 9.

- 14. On February 22, Mr. Gerry Antioch, Australian Treasury representative to the OECD met with OECD and other interested missions in Jakarta. The meeting had robust attendance from nearly two dozen missions. Antioch discussed the possibilities for Indonesia, noting that Coordinating Minister Boediono would have the lead for the GOI.
- 15. On March 25, Andrew Dean, Deputy Director of the OECD Country Studies Branch and his delegation briefed interested Embassies in Jakarta on the economic assessment underway. The OECD will examine drivers of growth specifically market competition and labor markets. A product market regulation questionnaire will help develop a foreign direct investment (FDI) restrictiveness indicator for comparison with other countries. The OECD team had also carefully examined studies done by the International Monetary Fund, the World Bank, local economic think tanks and others. The OECD team urged member missions to encourage GOI participation in the process to understand how the OECD methodology could add value as distinct from other studies. The Embassies of Mexico and South Korea to Indonesia also said they would share with the GOI the benefits from their early engagement with the OECD when their economies were much smaller.

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